Foreign CROPS AND MARKETS

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LATE NEWS

The British Ministry of Food has ruled that no citrus fruit in wrappers containing diphenyl may be imported into the United Kingdom without its approval both of the use of such wrappers and the amount of diphenyl contained in them. In connection with this ruling, the Ministry has announced that, effective May 7, 1950 until further notice, anyone permitted by the Board of Trade to import citrus fruit into the United Kingdom is authorized to import it and sell it in wrappers containing not more than 40 milligrams of diphenyl per 100 square inches. The Ministry said it was making the announcement because responsibility for the importation of oranges and grapefruit into the United Kingdom will be returned to private trade May 7.

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Early estimates of production of dried prunes in South Africa for 1950 indicate a decided drop below the preceding year. At present the production estimate of 500 tons is less than one-third of the 1945-49 average. The small production is attributed to the demand for fresh plums on the domestic market and the export of fresh plums to the United Kingdom. Unusually warm weather during the past winter caused delayed foliation thus decreasing yield per tree. If dried prune production continues at the low level estimated for 1950 it is reported that South Africa will be forced to resume the importation of supplies.

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Cotton consumption in Haiti's one spinning mill reached 5,200 bales (of 500 pounds gross) in 1948-49 compared with 500 bales in 1947-48, the first year of operation. Further increases are possible with present equipment. After mill requirements were drawn from the 1948-49 crop of 13,300 bales, a total of 9,400 bales were exported. Exports during the previous year totaled 15,100 bales.

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FOREIGN CROPS AND MARKETS

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COMMODITY DEVELOPMENTS

TOBACCO

SPAIN'S TOBACCO PRODUCTION AND IMPORTS SOMEWHAT LOWER

Spain's 1949 harvest of leaf tobacco is estimated at 6 percent below the 1948 crop, according to the American Embassy in Madrid. Imports of leaf during the first 11 months of 1949 were 2 percent below the corresponding period of 1948.

The country's 1949 production of leaf tobacco is tentatively estimated by the Spanish Ministry of Agriculture at 29.1 million pounds. This compares with 30.9 million in 1948 and 28.6 million in 1947. The area planted to tobacco is unofficially estimated at approximately 22,000 acres in both 1949 and 1948 and about 18,200 acres in 1947. The decline in production and yield in 1949 resulted from a severe drought which prevailed during the spring and summer months. Usually more than 90 percent of the area planted to tobacco in Spain can be irrigated, but the drought resulted in a shortage of water for this purpose.

Imports of leaf for the 11 months ending November 30, 1949, totaled 31.9 million pounds, compared with 32.4 million during the corresponding period of 1948 and 56.5 million during the calendar year 1947. Brazil, the Dominican Republic, Cuba and the Philippine Republic supplied the bulk of Spain's leaf imports during January-November 1949. The United States supplied only about 220,000 pounds, or less than 1 percent of the total. It appears likely that 1950 Spanish leaf imports will come largely from the same sources as in 1949. Larger imports of United States leaf are desired, but Spain's shortage of dollar exchange has prevented significant imports from the United States in recent years.

IRAN'S TOBACCO CONSUMPTION AND STOCKS AT HIGH LEVEL

Iran's consumption and stocks of leaf tobacco are at record levels, according to the American Embassy in Teheran.

The country's consumption of leaf tobacco for the marketing year ending August 22, 1950, is forecast at 26.0 million pounds, compared with 25.4 million in 1948-49 and an annual average of 17.7 million during the 5 years, 1942-43 through 1946-47. Consumption in 1949-50 is expected to consist of 5,400 million cigarettes, 8.8 million pounds of pipe tobacco and 5.3 million pounds of tombac (water pipe tobacco).

Stocks of leaf on hand at the end of the current marketing year (August 22, 1950) are expected to total approximately 64.0 million pounds. This compares with 65.6 million at the end of 1948-49 and an average ending stock of 30.5 million for the 1942-43 through 1946-47 period. The Iranian tobacco Monopoly, which controls the production, trade, and

manufacture of tobacco in the country, has been anxious to dispose of stocks accumulated in recent years and has attempted to increase exports.

IRAN: Estimated supply and disappearance of leaf tobacco, average 1942-43 through 1946-47, annual 1947-48, 1948-49 and 1949-50 1/

	Average 1942-43 through 1946-47	1947-48	1948-49	1949-50
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Supply				
Carryover	24,617	52,469	66,799	65,613
Production	24,912	39,683	24,692	2/ 24,912
Imports	4	-	112	3/ 154
Total	49,533	92,152	91,603	90,679
Disappearance				
Consumption	17,681	24,802	25,353	3/ 26,014
Exports	1,305	551	637	3/ 661
Total	18,986	25,353	25,990	3/ 26,675

1/ Year beginning August 23. 2/ Preliminary. 3/ Forecast.

Official reports and estimates of U. S. Foreign Service Officers

Production of leaf during 1949-50 is estimated at 24.9 million pounds, or 37 percent below the near record 1947-48 outturn of 39.7 million pounds. The decline in production during the past 2 years has resulted primarily from the policy of the Tobacco Monopoly of reducing the number of licenses to grow tobacco and to the availability to tobacco growers of more profitable agricultural enterprises such as cotton and jute production.

GUATEMALA'S TOBACCO IMPORTS UP;
LEAF PRODUCTION AND STOCKS DECLINE

Guatemala's 1949 imports of leaf tobacco were 15 percent above the 1948 level, the American Embassy in Guatemala City reports. Domestic production of leaf in 1948-49 was nearly 20 percent below 1947-48. The larger imports did not compensate for the lower production and leaf stocks declined.

Guatemala's Tobacco Revenue Administration reports that imports of leaf in 1949 totaled 549,274 pounds. This compares with imports of 476,595 pounds in 1948 and 272,644 pounds in 1947. For 1949 the Tobacco Revenue Administration also reported imports of about 1,800 pounds of cigarettes, 1,200 pounds of pipe tobacco and an insignificant quantity of cigars. The United States supplies most of the leaf and manufactured tobacco products imported into Guatemala.

The country's 1948-49 production of leaf tobacco is estimated at 2,600,000 pounds, compared with 3,200,000 pounds in 1947-48 and 5,000,000 pounds in 1946-47. The decline in 1948-49 is attributed to lower yields, resulting from abnormally dry weather during the growing season. The 1948-49 production consisted of about 2,270,000 pounds of native type dark air-cured leaf, 300,000 pounds of flue-cured and 30,000 pounds of Burley.

Total stocks of leaf tobacco on hand as of February 1, 1950, are estimated at about 1,800,000 pounds, or approximately 50 percent below stocks on the corresponding date in 1948. February 1 stocks were sufficient for only about 9 months consumption requirements, whereas normally stocks are maintained at an 18-month level. As a result of the low stock position Guatemala hopes to substantially increase the domestic production of leaf in 1949-50.

TROPICAL PRODUCTS

EL SALVADOR'S 1949 COFFEE EXPORTS AT RECORD HIGH

El Salvador's exports of coffee in 1949 reached a record high of 1,260,000 bags, according to the American Embassy in San Salvador. This is about 29 percent higher than the 1948 exports of 976,000 bags and 37 percent higher than the annual average prewar (1935-39) exports of 922,000 bags.

About 91 percent or 1,142,000 bags of El Salvador's total coffee exports in 1949 went to the United States. This compares with 883,000 bags of coffee shipped from El Salvador to the United States in 1948. El Salvador's exports of coffee to Europe declined from 73,000 bags in 1948 and 56,000 bags in 1949. The United States, Italy, Cuba, Canada, and Switzerland were the principal destinations for El Salvador's coffee shipments in 1949.

EL SALVADOR: Exports of green coffee, 1949
with comparisons 1/

Destination	Average 1935-39	1947	1948 2/	1949 2/
	1,000 bags	1,000 bags	1,000 bags	1,000 bags
United States	541	1,000	883	1,142
Canada	10	18	20	28
Other America	21	-	-	34
Europe	344	29	73	56
All Other	6	80	-	-
Total	922	1,127	976	1,260

1/ In bags of 132.28 pounds each. 2/ Preliminary.

Reports of U. S. Foreign Service Officers.

FATS AND OILS

CANADIAN FARMERS ASKED TO INCREASE OILSEED ACREAGE

Canada's newly formed Canadian Barley and Oilseeds Conference held its first meeting in Winnipeg on February 23, 1950, to discuss agricultural and marketing developments in these commodities.

Members were told that a flaxseed campaign is a definite necessity for the future welfare of the industry, and that the idea of growing at least some flaxseed every year must continue to be impressed upon Canadian farmers. At the close of the session a resolution was adopted recommending the planting of 750,000 to 1,000,000 acres to flaxseed this spring. In 1949 Praire Province plantings amounted to 303,500 acres and the total for Canada was only 321,100 acres.

In discussing market prospects, it was pointed out that there was a good outlet for all oilseeds in Canada and that 200,000,000 pounds of edible oils were manufactured in 1949. Farmers are being encouraged to improve the quality of their oilseed crops and to grow additional oilseeds. In addition to flaxseed, Canada is now producing soybeans, sunflower seed and rapeseed.

U. S. COTTONSEED AND OIL EXPORTS
LARGEST SINCE EARLY 'TWENTIES

United States exports of cottonseed and cottonseed oil in terms of seed in 1949, amounting to approximately 411,000 tons, were the largest since the early 'twenties. In 1921 cottonseed exports amounted to 1,414 tons and oil exports to 126,274 tons or a total in terms of seed of over 843,000 tons. The largest volume exported throughout the years has been in the form of oil.

Of the 1949 cottonseed oil exports, over 57 percent was sent to Canada and 30 percent to European countries. Mexico took 97 percent of the seed exported.

COTTONSEED: Exports from the United States by country of destination, annual 1946-49 1/

(Short tons)

Country of destination	1946	1947	1948 2/	1949 2/
NORTH AMERICA				
Canada (Including Newfoundland and Labrador)	3/	-	-	90
Mexico	4,309	3,809	4,732	7,038
Nicaragua	-	-	36	150
Other	3/	11	44	7
Total	4,309	3,820	4,812	7,285
SOUTH AMERICA	46	125	15	-
EUROPE				
Greece	290	-	211	5
Italy	-	3/	3	17
Other	-	-	-	3
Total	290	3/	214	25
ASIA				
China	498	2,935	-	-
Syria	16	-	26	97
Lebanon	-	-	-	92
Other	-	-	2	1
Total	514	2,935	28	190
AFRICA	3/	5	7	8
Grand total	5,159	6,885	5,076	7,508

1/ Not separately classified from 1923 through 1941. 2/ Preliminary.
3/ Less than .5 ton.

Compiled from official sources.

COTTONSEED OI: Exports from the United States, by country of destination, average 1935-39, annual 1946-49 1/

(Short tons)

Country of destination	Average 1935-39	1946	1947	1948 2/	1949 2/
NORTH AMERICA					
Canada (Incl. Newfoundland & Labrador..	719	178	50	1,232	34,690
Central America	40	6	7	30	117
Cuba	363	7	42	1,306	1,127
Mexico	225	2	1	1	42
Panama, Republic of ...	237	1	2	50	58
Canal Zone	191	86	42	114	660
West Indies	51	122	56	231	382
Total	1,826	402	200	2,964	37,076
SOUTH AMERICA					
Colombia	17	3	3	131	1,293
Ecuador	2	2	1	23	157
French Guiana	-	-	-	-	149
Venezuela	34	12	7	77	363
Other	7	1	7	15	-
Total	60	18	18	246	1,967
EUROPE					
Austria	-	-	-	796	3,511
Belgium & Luxembourg ..	44	-	-	238	426
Czechoslovakia	-	13	-	-	-
Denmark	-	-	-	3,915	1
Finland	2	2	-	3/	-
France	3/	2,268	463	5,983	8
Germany	3/	-	3	-	3,257
Greece	-	-	-	-	1,260
Iceland	6	-	3	-	-
Ireland	-	-	-	3/	9
Italy	-	-	-	-	4,296
Netherlands	39	-	3,036	-	1,190
Norway	11	-	-	-	-
Poland and Danzig	-	-	665	235	-
Sweden	155	-	-	1	-
Switzerland	111	-	-	636	13
Trieste	-	-	-	169	-
United Kingdom	20	120	-	-	4,419
Total	388	2,403	4,170	11,973	18,390
ASIA					
Japan	403	-	82	688	1,460
Philippines, Republic of	627	295	1,826	1,385	1,348
Other	37	19	78	32	222
Total	1,067	314	1,986	2,105	3,030
AFRICA	3	147	1	3/	2
OCEANIA	3	1	3	2	12
Grand total	3,347	3,285	6,378	17,290	60,477

1/ Crude and refined oil in terms of crude. 2/ Preliminary. 3/ Less than .5 ton.

Compiled from official sources.

SYRIAN OLIVE OIL PRODUCTION ABOVE LAST SEASON

Syrian edible olive oil production for 1949-50 is now unofficially estimated at approximately 16,500 short tons, or about 15 percent higher than the 14,300-ton estimate (unofficial) for 1948-49. In addition about 2,800 tons of inedible oil are available. As a result of a severe cold wave in the heart of the olive area in January, oil production in 1950-51 is expected to be far below normal. Reports indicate that well over half the trees were affected by frost and that recovery will take several years. It is forecast that possibly not more than 5,500 tons of oil will be expressed next season.

From the 1949-50 olive oil supply around 6,600 tons likely will be used locally for food, 5,500 (including 2,800 inedible) for industrial purposes and 7,200 tons for export or stocks. The Syro-Lebanese Customs Union reports 1949 exports at 1,700 tons. Although about double the 1948 exports, this figure is well below the trade estimates for Syria alone of 3,858 tons. A certain amount of smuggling may be assumed, but apparently exports were comparatively low in 1949.

Unofficial sources estimate that 1,650 tons of edible oil from the 1948-49 crop plus about 13,200 tons of the 1949-50 crop are on hand. Two-thirds of this amount is still held by growers or processors, the balance being divided between dealers and speculators.

Prices, which fell sharply last fall, have recovered slightly and are farther than ever above the world level. For commercial grade oil the price rose as high as 2,000 Syrian pounds per metric ton ($526 per short ton) in January but has not maintained that level. The mid-March quotation was 1,800 pounds ($474).

For the past three months there has been very little activity in the market. Exports have been negligible, and holders of the existing stocks are awaiting further information on the 1950 crop before they offer any very large quantities on the local market.

EL SALVADOR REMOVES CONTROLS ON SESAME EXPORTS

The Ministry of Economy of El Salvador, in an effort to encourage farmers to expand their cultivation of sesame, has removed the last special control on sesame exports. Last year the Ministry revoked the export quota control but kept the requirement that exporters must present a certificate showing that they had deposited in the General Warehouses of the Mortgage Bank for domestic sale, one percent of the quantity of sesame seed which they planned to export. This last requirement has now been eliminated.

Early in 1949 sesame export sales were made as high as $13.00 per hundred pounds. Shortly thereafter prices declined rapidly with the result that seasme growers sharply curtailed their acreage for the 1949-50 crop. Currently, Salvadoran exporters are being offered approximately $7.75 f.o.b. port. Sesame was quoted in internal markets in mid-February at about 14.50 colones per quintal (approximately $5.70 per hundred pounds), which growers claim is about the cost of production. At the same time last year as much as 23 to 25 colones per quintal ($9.00 to $9.80) was paid locally.

The 1949-50 sesame crop, now being harvested, is estimated at 4,600 tons or only about half of last year's crop. Approximately 3,300 to 3,600 tons should be available for export. Although local vegetable oil mills in recent years have consumed as much as 2,500 to 3,000 tons of sesame annually, this year it is expected that they will take only 1,000 to 1,300 tons. Since there is no satisfactory market for this year's cottonseed crop, which is especially good, crushers prefer to press cottonseed and export sesame seed. Exports of sesame during 1949 amounted to 6,908 tons of which Trieste took 2,178 tons, the United States 1,294, and Costa Rica 1,291.

ANTARTIC WHALING SEASON CLOSES;
CATCH 15,935 BLUE-WHALE UNITS REPORTED

When the 1949-50 Antarctic pelagic whaling season closed at midnight March 15, the total catch of baleen whales exclusive of the Soviet Union's expendition's takings for the previous 4 days, which was not reported-was 15,935 blue-whale units. This total, reported to the U. S. Department of the Interior's Fish and Wildlife Service, by the International Bureau of Whaling Statistics, Sandefjord, Norway, is slightly below the maximum of 16,000 blue-whale units for the season. This maximum was established in accordance with the provisions of the International Whaling Convention.

NIGERIA REDUCES PEANUT AND
SESAME PRICES TO GROWERS

The Nigerian Groundnut (Peanut) Marketing Board has announced slightly reduced prices to be paid for peanuts and sesame for the 1950-51 buying season. In the buying season just terminated, peanuts were bought for £21-s4 ($59.35) per long ton and sesame for £20 ($56) per long ton. Under the new announcement, peanut buying prices will vary by districts as follows:

Kano Area £20 ($56) at the Railway Buying Station and a minimum price of £16 in producing regions, depending on local transportation. In the Rivers Area all Buying Stations will pay £19 ($53.20) per ton, and in the Adamawa Area the base buying price will be £18 ($50.40). All Buying Stations will pay £19 ($53.20) per ton for sesame seed during the 1950-51 season.

These reductions were announced by the Marketing Board because it believes a decline in world prices for oils and oilseeds is imminent. The Marketing Board has been buying peanuts at Ł21-s4 ($59.35) a ton and selling them to the United Kingdom Ministry of Food for Ł53 ($148.40) per ton. It is not expected that the Ł53 price can be obtained in the forthcoming season and producer prices have been reduced accordingly.

The 1949-50 commercial peanut crop, which has now been virtually all purchased, is placed at about 172,000 long tons, one of the lowest on record.

GRAINS, GRAIN PRODUCTS AND FEEDS

CANADIAN GOVERNMENT URGES SMALLER WHEAT AREA

Canada's Minister of Agriculture continues to advocate a smaller wheat acreage in 1950 and future years, according to the Agricultural Attache, American Embassy, Ottawa. The recommendation calls for shifting some wheat acreage to summerfallow and feed grains, with a wheat target of 23-24 million acres suggested for 1950. Wheat acreage for the past 10 years averaged 23.6 million acres. Included in that average was the largest acreage recorded for Canada, 28.7 million acres in 1940. The acreage for the preceding decade was 25.6 million and for the 10 years ended 1929 was 22.3 million acres.

At the annual Dominion-Provincial Agricultural Conference in Ottawa the Minister stated that a wheat acreage as low as 20 million acres would best serve Canada's long-time interest. A reduction to that low level from the 1949 acreage of 27.5 million acres, however, does not seem likely, and the higher figure of about 24 million acres is the one generally spoken of as the target.

The Minister, in pointing out to farmers that the cut in wheat acreage would improve the pattern of farming in the grain belt, called attention to the possibility of world grain surpluses in the future. More stable prices for livestock products than for wheat, in the long run, were cited as another factor supporting a cut. Present relatively high prices, however, make grain production very attractive, especially since there is much less work involved than in livestock production.

Last year's acreage of 27.5 million acres was, with one exception, the largest wheat acreage recorded. The increase of about 3.5 million acres over the 1948 area took place despite the Government's request for reduced acreage at that time. It is noted that any reduction must be on a voluntary basis, since the Canadian Government has no direct acreage control program.

At this time there is little indication of what the 1950 acreage may be. About 95 percent of the country's wheat is spring-seeded and subsoil moisture conditions at seeding time (April-May) will be an important factor in determining the extent of the acreage. A shortage

of subsoil moisture over much of the Prairie Province wheat belt is reported at present. Threat of heavy grasshopper infestation is also considered rather serious.

ECUADOR ESTABLISHES WHEAT
AND FLOUR IMPORT QUOTAS

On January 5, 1950 the National Monetary Board of Ecuador promulgated a decree establishing a monthly import quota of 30,000 sacks of wheat flour of 100 pounds each, exclusively for the coastal provinces of that country, according to the American Consulate General, Guayaquil. The distribution of this monthly quota was to be determined by the respective Chamber of Commerce and Industry. For the wheat millers of the interior, there was also established at the same time an annual import quota of 6,000 metric tons of wheat.

On February 3, the National Monetary Board raised the total monthly flour import quota to 35,000 sacks and assigned the following distribution of that quota: noodle and biscuit factories, 11,000 sacks; bakeries, 8,000 sacks; wheat flour importers, 12,000 sacks; and flour for distribution among importers and factories in the Province of Manabi, 4,000 sacks.

LIVESTOCK AND ANIMAL PRODUCTS

UNITED KINGDOM
WOOL STOCKS DOWN

Stocks of wool on hand in the United Kingdom were down to 279 million pounds (clean basis) on January 31, 1950. This compares with 321 million pounds at the end of August 1949 the highest stock figure of the year, and 298 million pounds on January 31, 1949.

Stocks of merino wool were 3 million pounds higher than at the end of December but crossbred stocks were 12 million pounds lower.

Joint Organization stocks in the United Kingdom have decreased 20 million pounds since August 31, 1949, domestic wool in the hands of the Ministry of Agriculture have increased 9 million pounds and trade-held stocks are 31 million pounds lower.

The rise and fall of wool stock in the United Kingdom is shown by the following July 31 position (clean weight): 1943, 284 million pounds; 1944, 436 million pounds; 1945, 504 million pounds; 1946, 476 million pounds; 1947, 480 million pounds; 1948, 359 million pounds; 1949, 285 million pounds.

COTTON AND OTHER FIBER

COTTON-PRICE QUOTATIONS ON WORLD MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, and the U.S. gulf-port average

Market location, kind, and quality	Date 1950	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S cents per pound
Alexandria		Kantar			
Ashmouni, Good	3-30	99.05 lbs.	Tallari	82.00	47.53
Ashmouni, F.G.F.	"	"	"	78.00	45.21
Karnak, Good	"	"	"	74.75	43.33
Karnak, F.G.F.	"	"	"	68.25	39.56
Bombay		Candy			
Jarila, Fine	"	784	Rupee	1/ 620.00	16.50
Broach Vijay, Fine	"	"	"	1/ 690.00	18.37
Karachi		Maund			
4F Punjab, S.G., Fine	3-29	82.28 lbs.	"	70.00	25.67
289F Sind, S.G., Fine	"	"	"	71.50	26.22
289F Punjab, S.G., Fine	"	"	"	74.00	27.13
Buenos Aires		Metric ton			
Type B	3-30	2204.6 lbs.	Peso	1/4000.00	37.55
Lima		Sp. quintal			
Tanguis, Type 5	3-29	101.4 lbs.	Sol	(not quoted)	
Pima, Type 1	"	"	"	(not quoted)	
Recife		Arroba			
Mata, Type 4	3-30	33.07	Cruzeiro	185.00	30.44
Sertao, Type 5	"	"	"	(not available)	
Sertao, Type 4	"	"	"	225.00	37.02
Sao Paulo					
Sao Paulo, Type 5	"	"	"	179.00	29.45
Torreon		Sp. quintal			
Middling, 15/16"	"	101.4 lbs.	Peso	241.00	27.50
Houston-Galveston-New Orleans av. Mid. 15/16"	"	Pound	Cent	XXXXX	31.48

Quotations of foreign markets reported by cable from U.S. Foreign Service posts abroad. U.S. quotations from designated spot markets.

1/ Nominal - ceiling prices.

EGYPT'S COTTON
EXPORTS RISING

Exports of cotton from Egypt during August-February 1949-50 totaled 911,000 bales (of 500 pounds gross) compared with 867,000 bales for a similar period a year ago. Exports of 194,000 bales in February 1950 were among the heaviest for any 4-week period in postwar years. The United Kingdom, the United States, India, and France accounted for most of the heavy exports in February.

EGYPT: Cotton exports by country of destination; averages 1934-38 and 1939-43; annual 1947-48 and 1948-49; August-February 1948-49 and 1949-50

(Bales of 500 pounds gross)

Country	Year beginning August 1				August-February	
	Averages					
	1934-38	1939-43	1947 1/	1948	1948-49	1949-50
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Australia	-	6.4	10.8	1.4	.9	.5
Austria	18.4	2/	3/	3/	3/	3/
Belgium-Luxembourg	18.7	2.9	22.1	12.4	8.5	11.5
China	20.9	9.4	3/	3/	3/	3/
Czechoslovakia	59.9	.2	71.0	72.1	24.2	19.6
France	215.2	62.7	240.4	115.9	67.8	104.2
Germany	171.6	2.3	3/	3/	3/	28.0
India	99.9	170.8	209.8	350.1	150.7	155.6
Italy	114.7	19.4	165.4	115.6	54.7	82.8
Japan	148.5	44.1	3/	15.1	15.1	13.4
Netherlands	5.7	1.1	17.7	49.4	29.7	33.7
Spain	43.6	6.5	50.0	30.7	14.0	7.9
Sweden	12.3	2.1	33.1	17.3	5.3	14.8
Switzerland	71.1	14.6	27.9	15.7	11.7	20.8
United Kingdom	554.4	402.0	419.6	496.0	278.7	120.0
United States	48.8	97.0	89.8	44.2	44.2	116.7
Others	143.0	84.9	4/ 263.9	5/ 309.2	6/ 161.2	181.3
Total	1,746.7	926.4	1,621.5	1,645.1	866.7	910.8

1/ Subject to revision. 2/ Included with Germany. 3/ If any, included with "others". 4/ Soviet Union 50.0; Poland 12.5. 5/ Soviet Union 18.7; Poland 44.3. 6/ Poland 16.0.

Compiled from Monthly Summary of the Foreign Trade of Egypt and Foreign Service reports.

Exports during the remainder of this market year are expected to be maintained at, or near, the average for the first half which would result in an export total about equal to the 1948-49 figure of 1,645,000 bales. Exports during the current season to date were divided almost equally between Ashmouni and Zagora, the ordinary long-staple varieties, and Karnak and Menoufi, the two principal extra long-staple varieties. Medium long-staples accounted for only 8 percent of the total.

Stocks of cotton in Egypt on March 1, 1950, were reported officially as equivalent to 1,098,000 bales or 411,000 less than the stocks on hand a year ago. If exports and consumption are maintained at, or slightly below, the present levels, the stocks on hand when the new season begins on September 1 may be as low as 165,000 bales most of which will be in government possession. This figure is lower than the 1939 carry-over (September 1) of 202,000 bales. A breakdown of the February 1, 1950, stock figure of 1,278,000 bales showed 171,000 bales, including 162,000 of Karnak and 9,000 of Menoufi, in government-owned stocks. Mill stocks of 100,000 bales contained 71,000 of Ashmouni and Zagora. Stocks held by trade firms totaled 1,007,000 bales, including 354,000 bales of Karnak, 92,000 of Menoufi, 104,000 of Giza 30, and 430,000 of Ashmouni and Zagora.

The 1950-51 cotton crop now being planted may exceed 2,000,000 bales compared with 1,691,000 in 1949-50, according to private forecasts. Abnormally cold weather in January and February is believed to have destroyed a large percentage of cotton leafworm and pink bollworm larvae. These sources expect the crop of Karnak to reach 670,000 bales, an increase of 106,000 over last year's crop. Tentative production forecasts for other varieties (1949-50 estimates in parentheses) were: Giza 30, 465,000 (157,000), Menoufi 155,000 (130,000), Ashmouni 825,000 (789,000), and Zagora 50,000 (29,000).

Local mills consumed 108,000 bales during the first half of the season compared with 119,000 for a similar period a year ago. Reduced mill consumption is attributed to excessive stocks of cotton textiles accumulated as a result of heavy imports of lower-priced foreign textiles. The subsidy of £E485,000 ($1,396,000) provided by the government for the cotton textile industry in 1949-50 (March-February) has not been renewed for the new fiscal year but seems to be getting favorable consideration by administration leaders.

The increase in the export tax from £E2 per metric quintal (2.60 cents a pound) to £E4 (5.21 cents), announced by the government on March 6 (see Foreign Crops and Markets, March 13, 1950) is to become effective September 1950. The immediate effect on the market was a decline of 1.5 to 2.0 tallaries per kantar (.87 cents to 1.16 cents a pound) for near months and a drop of 3.0 to 4.0 tallaries (1.74 cents to 2.32 cents) in prices of cotton for October and November delivery.

U. K. COTTON CONSUMPTION CONTINUES TO EXPAND

Cotton consumption in the United Kingdom continues to expand at a moderate rate and the immediate outlook is, on the whole, rather favorable, according to a recent U. S. Foreign Service dispatch from Manchester. Mill consumption in the first half of the current season (August through January) was reported at 1,035,620 bales (of 480 pounds net). This is about 4.4 percent higher than in the corresponding period of last season. Consumption for the entire 1949-50 season has been forecast at about 2,150,000 bales, compared with 2,004,000 bales last season.

Consumption of rayon staple fiber by the cotton industry is also increasing and was up 21 percent in 1949 over the previous year. Rayon consumption by the cotton industry has been estimated at an equivalent of 60,000 bales or about 6 percent of the total cotton consumption for the first half of the current season.

Cotton imports into the United Kingdom for the first 6 months of the current season have been reported at 757,150 bales. Imports have been running under last year and have not equaled the rate of consumption. Stocks accordingly have been reduced from 1,610,000 bales on August 1, 1949, to 1,314,000 bales on February 1, 1950. They are now equal to about 7 months' supply and are not expected to go much lower. In that case imports in the last half of the season should be over 1,000,000 bales. The United States supplied about 42 percent of United Kingdom imports in the first half of the season or about 316,000 bales. Although cotton from the new crop is now arriving in volume from the British African colonies and new shipments will soon be coming from the Sudan and the Southern Hemisphere, it is believed the United Kingdom still will need substantial quantities of United States cotton and imports from this country should be as large during the last half of the season as in the first half.

Exports of cotton textiles showed a marked improvement in 1949 over the 1948 totals. Cotton yarn exports of 82,000,000 pounds in that year were 39 percent greater than in 1948. Cotton piece goods exports of 904 million yards exceeded 1948 exports by 18 percent. However, the "value target" of £15 million of cotton textile exports monthly set by the British Government for achievement by the end of 1949 was not reached. In fact, there was a continuous decline in value of exports after the first quarter when the average monthly value was £14.3 million until in December the value was only £11.1 million. This decline continued in the latter part of the year in spite of the devaluation of the pound in September 1949. Although there are indications that the decline may be leveling off, preliminary export data on the first 2 months of 1950 show little improvement. Thus, the advantage which devaluation was expected to give to the cotton goods trade had not shown itself by February of this year. This poor showing of cotton textiles in the past few months has had a sobering effect on the industry and tends to detract from the satisfaction felt over the substantial increase in exports for the year

as a whole. Even more disturbing from the national viewpoint was the decline in exports to hard-currency countries. Since it was felt that cotton goods containing dollar cotton were being sold in too great volume for soft currencies, steps have been taken to divert more export to hard-currency areas.

However, there was no element of depression in the industry, profits were high, wage rates compared favorably with those industries competing for labor, and at the end of the year all sections of the industry could record well over 6 months' production on the current order books. The labor position improved as a result of recruitment of more workers in the closing months of the year, but there are still insufficient employees to staff all the machinery in place and labor continues to be the chief limiting factor in expanding production. Some progress has been made in introducing methods of labor deployment to increase output per man-hour.

The main anxiety, now that the number of mill workers shows a tendency to rise, is the ability to purchase adequate cotton of the qualities necessary for the production of the type of goods required in the world markets. So far, ECA aid has alleviated such difficulties. However, since devaluation the cost of raw cotton has increased, causing an added drain on foreign exchange resources. The price of United States cotton increased about 32 percent since August 1,1949 and Egyptian Ashmouni cotton, of which much of the finer cloth needed for dollar markets is made, increased about 54 percent. These cost increases have gone far to offset the price advantage in the textile export markets expected to result from devaluation. Moreover, they are coming at a time when there is a need for lower selling prices to meet actual and potential competition from other suppliers. This makes increased production at lower cost an immediate necessity. Fortunately, relations between employers and labor continue good, and progress is being made with the reequipment and labor redeployment programs aimed to increase production per man-hour. The cotton industry is considered vital to the country's welfare, and great effort is being made to find solutions for these problems.

LATE NEWS

(Continued from Page 299)

A trade agreement concluded by representatives of Japan and Burma for the calendar year 1950 was ratified by the Japanese Government March 21, 1950. The agreement provides for balanced trade in sterling equal to about $40,000,000. Burman export commodities covered in the agreement include cotton, cottonseed, rice, corn, beans and tung oil. The principal Japanese items covered include textiles machinery and other manufactured articles.

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The Bank of Paraguay (a Government Agency) announced on March 7, 1950 a reduction in cotton export taxes. This was effected by a new schedule of valuations for tax purposes. The new schedule ranges from 30.30 U.S. cents a pound for Grade 1 to 9.57 cents for Grades 7 and 8 compared with the previous schedule of 31.30 cents to 10.66 cents respectively. An export tax of 3 1/2 percent of these values (f.o.b. Buenos Aires) is levied on sales made in U.S. dollars or in sterling and 10 percent on sales in all other currencies. Preliminary production estimates for 1949-50 indicate a probable export surplus of 60,000 to 65,000 bales of 500 pounds gross weight.